

City of Raleigh

2011-2012 Arts Grant Guidelines*



Submission Deadline: January 13, 2011

*** All applicants must also review and submit completed grant application(s) and budget forms.**

Mailing:

P.O. Box 590
Raleigh, NC 27602

Raleigh Office Location:

Before Dec. 3, 2010

222 West Hargett Street, Room 504

After Dec. 6, 2010

127 West Hargett Street, Suite 408

More Info: 919.996.3610 or visit www.raleighnc.gov/arts

GENERAL INFORMATION

About the Raleigh Arts Commission:

The Raleigh Arts Commission, established in 1977 as the official advisory body and advocate for the arts to the Raleigh City Council, proudly holds the distinction of being the first municipal arts commission created in North Carolina. Serving as the leading force to champion the arts with Raleigh citizens and their representatives, the Commission's myriad activities foster, support, and promote the arts in the Capital City. Twelve citizens broadly representative of all fields of the arts are appointed by City Council to serve on the Arts Commission.

Funding for the Commission:

The City of Raleigh Arts Grant Program is the official vehicle for municipal support to the city's arts organizations and to arts programs presented in Raleigh. A major example of the City Council's dedication to the cultural development of Raleigh, the Arts Commission receives an annual appropriation of \$4.50 per capita in arts funding.

Raleigh Arts Grant Program Mission:

The City of Raleigh Arts Grant program fosters and sustains Arts in our community by allocating municipal funding to help shape Raleigh as a creative cultural capital and create an environment where everyone can participate in the arts.

Raleigh Arts Grant Program Core Values:

- *We value* municipal funding for the Arts;
 - *We value* the Arts as a key element in creating desirable places to live, work, and visit;
 - *We value* the economic stimulus the Arts provide for our region;
 - *We value* Arts that are accessible to the community and artists;
 - *We value* freedom and diversity of artistic expression;
 - *We value* artistic excellence;
 - *We value* responsible stewardship and accountability;
 - *We value* a transparent, open and honest process of grants decision-making;
 - *We value* knowledgeable and committed Arts staff and Commissioners, and the Commission's role as advocates for the Arts;
 - *We value* the creation of original works of Art as well as the preservation of classic works;
 - *We value* mentorship and encouragement of Arts organizations and artists in our community;
 - *We value* the principles of artistic collaboration and partnership;
 - *We value* a community in which everyone has the opportunity to learn about, participate in, and enjoy the Arts.
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GRANT CATEGORIES OVERVIEW

Subject to eligibility requirements, any nonprofit, tax-exempt organization whose corporate headquarters is located within the limits of the City of Raleigh may apply in the following two categories: 1) Operating Support; and 2) Project Support. All decisions will be based on established criteria and available funding.

Operating Support – (not to exceed \$175,000) available to established arts organizations and may be restricted to cover facility-related costs and critical salaries.

Project Support – (not to exceed \$25,000) available for arts-related programs of nonprofit organizations that advance the applicant organization's artistic development, upgrade services by the applicant, or develop new areas of interest.

Total grant support will be limited to no more than 25% of the applicant's total budget expenditures (excluding in-kind contributions) based on the most recent audit (2009-2010) (with the exception of organizations with special leasing arrangements with the City of Raleigh). **The maximum support that an organization may receive is a total of \$175,000.**

GENERAL ELIGIBILITY

Financial assistance may be requested by an organization for arts activities if it meets all applicable requirements in these guidelines, including those specified under specific grant categories.

1. **Raleigh Headquarters:** The organization's corporate headquarters must be located within the City of Raleigh.
2. **Not-for-Profit Status:** City of Raleigh Arts Grants may be awarded only to not-for-profit organizations, chartered by the State of North Carolina, that have federal and state tax-exempt status. A copy of the letter of determination from the Internal Revenue Service and the State of North Carolina recognizing the applicant organization as a not-for-profit corporation must be on file at the Commission office. All such arts organizations or non-arts organizations with arts projects may apply for Project Support. **Only arts organizations are eligible for Operating Support.**

Organizations that do not have federal tax-exempt status under Section 501 (c) 3 of the Internal Revenue Code must apply through a non-profit fiscal agent, and to be eligible for funding, must be in the process of securing such status.

Individuals are not eligible to apply directly for funding but many artists are hired through organizations that receive city arts funding.

3. **Serving the General Public:** The use of City of Raleigh funds to serve only the applicant organization's membership is deemed inappropriate. Requests from membership organizations

must emphasize service to the general citizens of Raleigh. When participation in activities is based on invitation or jury process, the means to ensure systematic, unbiased selection should be delineated. In summary, all programs to be funded by the City must be open to the general public, whoever the sponsor is or wherever the program is presented.

4. **Excess Budget Surplus or Budget Deficit:** An organization is **ineligible** for any City Arts Grants if:
 - It has undesignated cash reserves, exclusive of assets (such as endowment, capital improvement and other restricted funds and donated works of art) in excess of one year's operating expenses; or
 - It has budgeted a deficit in the fiscal year for which funds are requested. (In the case of an accumulated deficit, the organization must submit a feasible plan for eliminating the deficit.)

GENERAL APPLICATION REQUIREMENTS

It is important that the potential applicant organization carefully review the guidelines for each grant category to determine the most appropriate avenue of submitting requests for financial assistance.

1. Requests for grants **must be submitted** on the current Raleigh Arts Commission grant application form and accompanying budget forms and can be obtained in three ways.
 - Downloaded from the Arts Commission grants web page at www.raleighnc.gov/arts.
 - Requested by email transmission from Carol Mallette, Arts Commission Administrative Assistant, at carol.mallette@raleighnc.gov.
 - Requested paper copy from Carol Mallette (see contact information above).
2. Any application and backup materials must be completed and submitted by the deadline indicated in these guidelines. **Applications after the deadline date will be ineligible. Applications may not be sent by fax or electronically; all applications must be submitted in paper copy to the Arts Office.**
3. Applicants should be aware that good grantsmanship is a significant factor in a favorable review of proposals. While an application may be declared technically eligible, a miscalculated budget, incomplete responses to evaluation criteria, non-descriptive narratives, or a failure to itemize expenses and income, etc., will make the application less competitive and will result in a negative evaluation.
4. Applicants should be aware that **all previous year's reports and audits must be up-to-date and submitted according to deadlines** for consideration of the next fiscal year's funding. Organizations with a history of **non-compliance** with deadlines (for required reports, audit, contracts, etc.), must contact the Arts office Executive Director to discuss current eligibility prior to applying.
5. Do not place grant applications in folders of any kind. Support materials may be placed in a single folder or envelope.

FUNDING CRITERIA

As the grants panel reviews each application they consider, score and allocate with the following general criteria in mind:

1. Administrative and managerial quality of the applicant.
2. Artistic merit.
3. Community involvement and outreach.
4. Financial accountability.
5. For past recipients, panelists will review grant compliance.

In addition, the arts program(s) of the applicant organization **must meet most of these criteria** that are considered during the evaluation processes:

- **The program has artistic merit.** Qualified persons are involved in planning and implementation. Professional artists are involved in the process/preparation and the product/presentation.
- **The program will benefit the citizens of Raleigh.** The program will contribute to the cultural opportunities made available to the public, enhancing the quality of life.
- **The program is innovative.** The program focuses on arts activities not currently offered, targets populations previously underserved, or contributes to the cultural development of Raleigh in nontraditional ways.
- **The program has qualified personnel.** The administrators and artists have sufficient training and experience directly related to the needs and objectives of the program.
- **The program has community support.** This is demonstrated by volunteer efforts; contributions of cash, goods or services; participation and attendance--especially from those not directly involved in the program.
- **The program is accessible.** Program planning and implementation are addressed by those sensitive to (or who are themselves) people who are disabled and elderly, who are members of diverse racial and ethnic groups, and/or who are disadvantaged. Facility accessibility is required, per city regulations. The Americans with Disabilities Act also regulate program and facility accessibility.
- **The program has had adequate planning.** Planning was systematic over a sufficient period of time, addressing each facet of the program, including the method of evaluation and the program's continuation.
- **The program is well promoted and publicized.** There is a systematic plan to reach the targeted recipients of the program's benefits through a variety of avenues, to ensure full participation.
- **The organization is financially sound and has a realistic budget.** Income and expense projections are reasonable for program and operating budgets.
- **The applicant organization has the resources necessary to implement the program successfully.** Resources include sound finances, adequate and accessible facilities, and sufficient staff and board.
- **Organization has a racially/ethnically diverse board of directors.** Every effort is made to insure commitment to racial and cultural equity issues as appropriate to meet the needs of the City of Raleigh community.

FUNDING RESTRICTIONS

Except for extraordinary cause, the City of Raleigh restricts arts funding to the following requirements:

- Commission funds may **not** be used for capital improvements (building or construction), for large equipment purchases, food or beverages, or elimination of an accumulated deficit. Design project requests will be considered for research, planning, and conceptualization only, but not for construction, reconstruction, or other things that could be considered capital expenditures.
- All events sponsored in part or whole by the Commission must be open to the public.
- Applications from colleges or universities or other institutions of higher learning must emphasize non-academic community involvement in planning and implementation. The final product, if any, must include members of the community.
- No grant funds may be used for out-of-county travel expenses.
- Applicants should be aware that applications are reviewed on their merits and in competition with other applications. An award granted one year does not imply Commission support in subsequent years. Grants are not renewable.
- Organizations may request funding to strengthen and expand existing or previously funded programs. Though the Commission welcomes the vitality of new projects and activities, organizations should not plan new projects that are beyond their means and cannot be sustained without continued Commission funding once it becomes established.
- Organizations that receive funding are required (among other things) by contract with the City, that **recognition be given to the Raleigh Arts Commission in ALL promotions, publicity, advertising, and in any printed and electronic materials.**
- The Commission will not make grants to an organization with a standing deficit unless a plan to reduce that deficit is submitted with the application. Nor will the Commission fund organizations if they have undesignated cash reserves, exclusive of assets listed in parentheses (endowment, capital improvement and other restricted funds and donated works of art), in excess of one year's operating expenses.
- **Total grant support will be limited to no more than 25% of the applicant's total budget expenditures, based on the most recent audit (2009-2010) (with the exception of organizations with special leasing arrangements with the City of Raleigh). The maximum total amount an organization may receive is \$175,000.**

Any questions about eligibility or funding requirement should be directed to the Executive Director of the Arts Commission before the application is made.

GENERAL MATCHING REQUIREMENTS

All grants require at least a one-to-one match. "One-to-one" dollar match means that the applicant must cover at least half of the cost of a project or program with its own income. (In-kind contributions of time and services cannot be used.)

ASSISTANCE

The Arts Commission staff will present a grants workshop in December 2010. **All interested applicants are required to attend this workshop.** Additionally, applicants are welcome to schedule a meeting with the Executive Director (at least three weeks) prior to the grant deadline.

The Raleigh Arts Commission is committed to making sure this process is accessible to people with disabilities. Guidelines and application forms can be made available in large print or recorded format. Staff can arrange to meet with people with disabilities either in the Arts office, which is wheelchair accessible, or in another location that may be more convenient. The Arts office can arrange for a sign language interpreter to be present.

CALENDAR AND APPLICATION REVIEW PROCESS

January	Deadline for submitting applications and all accompanying materials is January 13, 2011 by 4:00 p.m. Late applications will not be accepted.
March	Following receipt of applications, the City Arts Grants Committee reviews each proposal and interviews each applicant in a panel process
April	Committee makes recommendations to the Raleigh Arts Commission
April/May	On approval, the recommendations are subsequently submitted to the City Administration during the annual budgetary process
By June 30	Final decisions are made by City Council in adopting the annual budget
July	Contracts are mailed to grant recipients
August	Signed contracts are due to the Arts Office

Formal Notification:

Applicants are strongly discouraged from commencing operation in anticipation of City of Raleigh funding prior to formal notification.

APPEALS PROCESS

An applicant has a right to appeal any decision denying an application for a grant in whole or in part and/or a request for an exception to guidelines. Any appeal must be in writing addressed to the Executive Director of the Arts Commission and shall specifically state reason(s) for the appeal. An ad hoc committee is formed to review the appeal.

- Any request for an exception to the guidelines must be filed no later than 45 days prior to the deadline of the grant category at issue. It will be reviewed at the next regularly scheduled Commission meeting.
- Any appeal which contests the denial of a grant, in whole or in part, must be filed within 10 working days of the notification of the grant recommendation.
- Decisions for the arts funding recommendations of the Arts Commission will be final. The Arts Commission recommendations will then appear before the City Council. The Council decision will approve final allocations.

ADDITIONAL REQUIREMENTS

Contract:

Upon approval, a contract is sent to the grantee specifying the terms of the grant, procedures for payment of funds, and reporting requirements. The applicants must sign and return the contract within 45 days signifying agreement to the terms. No major changes can then occur, either in activities, finances or use of funds, without requesting and receiving approval in writing to the Arts Commission Executive Director. The same approval process must be followed to secure any extension of report deadlines.

Contractual Requirements (for all categories):

- Fidelity bond equal to ½ the amount of the arts grant, if the grant is \$1,000 or more;
- Assurances of complying with the City's nondiscrimination policy;
- Assurances of adhering to generally accepted accounting principles;
- Assurances that the City arts grant is credited in all publications;
- Conflict of Interest Policy.

Payment:

For all categories:

Payments are made on a **reimbursement basis only**. According to the fiscal requirements established by the City of Raleigh, all payments must be requested in writing and with verification of expenditures.

For Operating Support:

As a rule, payments are made on a monthly reimbursement basis. Recipients may prefer payments bi-monthly, quarterly, or in a lump sum, rather than monthly. However, any variance to the manner of payment must be requested in writing to the Arts Commission Executive Director and written approval received prior to requesting payment.

For Project Support:

Unless otherwise noted, payment by the City is made after the project is completed on request of the recipient. Any variance to the manner of payment must be requested in writing to the Arts Commission Executive Director and written approval received prior to requesting payment.

Reporting Requirements (for all categories):

- An **interim** narrative report is due mid-way through the project, or by January 15.
- A **final report** and **cash position statement** is due thirty (30) days after the completion of the project, or by July 31.
- Applications for Raleigh Arts Commission Arts Grants will not be accepted if the applicant has a mid-year and/or final report past due and has not been granted an extension.

Audit Requirements (for all categories):

- If the arts grant is **\$25,000 or more**, submit two copies of the **independent certified audit** of the organization's most recently completed fiscal year by October 31, or within 120 days after the end of the agency's fiscal year. **The audit must be accompanied by a letter from the auditor and a copy of the agency's final budget for the period.**
- If the arts grant is **less than \$25,000**, an audit is recommended but not required. If an agency does receive an audit, however, a copy of the audit with the management letter, and a copy of the agency's final budget for the period should be submitted to the Arts Commission office within 120 days following the end of the agency's fiscal year. The City, at its discretion, may require an examination of any agency's financial records by the City's Internal Audit staff.

Evaluation:

The City of Raleigh views evaluation as an ongoing process throughout the funded period. As part of the application process, applicants are required to state clearly the desired outcomes for their project. Evaluations will affect recommendations for subsequent funding.

Affirmative Action:

Recipients of City of Raleigh Arts Grants must certify that they will comply with the City's nondiscrimination policy, a clause in the contract.

Accessibility:

Applicants must give assurance that facilities and projects will be accessible to people who are disabled.

PLEASE SEE FOLLOWING PAGES FOR INFORMATION PERTAINING TO SPECIFIC GRANT CATEGORIES.

OPERATING SUPPORT GRANT

This category provides non-project assistance toward ongoing administrative costs for qualifying organizations. The actual amount of an applicant organization's grant for Operating Support will depend upon its rating and ranking in the panel review process and the total funds available for allocation.

Eligibility:

Follow General Eligibility requirements.

Also:

- Organizations must be established, arts-committed organizations providing a quality cultural product or service with wide-ranging impact on the City of Raleigh and responsible for their own programming, (e.g. symphonies, festivals, ballets). **Colleges, universities and government agencies/ units are not eligible for Operating Support.**
- In addition to having an artistic mission and not-for-profit, tax-exempt status, organizations must comply with the following conditions:
 1. The organization must have year-round managerial leadership;
 2. The organization must have an active board of directors that is reflective of the community it serves;
 3. The organization must display on-going fiscal responsibility;
 4. Funding may be restricted to facility-related costs/critical salaries.

How to Apply:

By the specified deadline, applicants must submit original and 13 completed copies of the application forms and appropriate attachments. **Do not send materials or additional copies that are not requested.**

What to Submit:

Complete Grant Application Sections A, B, C, D, and E, along with all Budget forms (Standard Comparative Forms A, B, C, and Budget Expense Cost Center Form).

One original and thirteen (13) copies of the following, collated and paper clipped at the top left corner, in proper order on 3-hole punched paper:

- Application and Budget forms, with all appropriate pages. One of these must be an original.
- Job descriptions and/or brief biographies of key administrative and artistic personnel, **summarized on one page. Do not send resumes.**
- A list of the organization's current board of directors, including names, business and/or home addresses, phone numbers and email addresses, length of term, and an indication of those that represent ethnic minorities, those with disabilities, or older populations.

One (1) copy of the following (with the original):

- Financial audit and auditor's letter from an Independent Certified Public Accountant. An organization that has not applied previously should submit audits for the past two (2) fiscal years.

- Current bylaws (if not previously on file with the Arts office).
- One copy of organization income tax exemption status and incorporation papers from the IRS and State of North Carolina (if not previously on file with the Arts office).
- Accessibility plan.
- One copy of support materials, publicity, reviews, programs, etc.
- One copy of the organization's long-range plan.
- Optional: if available, submit one DVD (2 to 5 minutes) documenting either an organization sponsored event or organization profile.

Evaluation Criteria:

The following are the weighted criteria used to evaluate your operating support grant:

Artistic Merit (30%)

1. High quality artists selected to participate
2. Professional, creative, innovative artistic leadership with vision
3. Artistic need for organization in the community
4. Employment opportunities for Raleigh and/or North Carolina artists
5. Commitment to support of emerging artists

Management (25%)

6. Effective administration and leadership among paid staff
7. Careful planning for successful implementation of operations and programs
8. Advertising and promotion sufficient to support organization goals
9. Comprehensive evaluation tools and review process in place
10. Active and appropriately-sized board of directors and established committees

Financial Accountability/Grant Compliance (25%)

11. Realizable budgets
12. Ongoing financial oversight/accurate accounting processes
13. Long term financial planning
14. Financial stability
15. Grant application (and for previous grant recipients, midterm and final reports) comprehensive, clearly written and presented as due

Community Outreach (20%)

16. Demonstrates knowledge of the community and audiences
17. Budget and board shows a broad base of support
18. Involvement with and/or services for persons with disabilities, members of ethnic minorities, and members of new constituent groups
19. Collaborations and shared resources with other organizations
20. Facilities utilized accessible to all persons

PROJECT SUPPORT GRANT

Project Support provides funds for a wide variety of quality arts programs and projects that take place primarily in the City of Raleigh. Funds awarded in this category range from \$1,000 to \$25,000, and must be matched dollar-for-dollar. The application may be for one project, but multiple events, such as a concert series, are also eligible and should be submitted as one (1) application. The actual amount of an applicant organization's grant for Project Support will depend on its rating and ranking in the review process and the total funds available for allocation. **This is the only category to which non-arts organizations, as well as arts organizations, may apply.**

Eligibility:

Follow General Eligibility requirements.

Also:

- Arts organizations receiving an Operating Support grant may apply also in this category.
- Funding may not be awarded when proposed project income significantly exceeds project expenditures.

Generally Appropriate Activities:

The following are examples of activities consistent with the funding philosophy of art projects for Project Support:

1. Projects that involve and promote North Carolina artists
2. Visiting artist working in community outreach
3. Public productions, programs or exhibitions produced by the applicant
4. Research, documentation and commissions as part of a program or project
5. Improved program accessibility for special constituencies

How to Apply:

By the deadline, applicants must submit **an original and 13 completed copies** of the application forms and appropriate attachments. **Do not send materials or additional copies that are not requested.**

What to Submit:

Complete Grant Application Sections A, B, C, D, and E, along with all Budget forms (Standard Comparative Forms A, B, C, and Budget Expense Cost Center Form). **Organizations not required to submit an audit may exclude section E.**

Original and thirteen (13) copies of the following, collated and paper clipped at the top left corner, in proper order on 3-hole punched paper:

- Application and budget forms, with all appropriate pages. One of these must be an original.
- Job descriptions and/or brief biographies of key artistic and administrative personnel, summarized on one page. Do not send resumes.
- A list of the organization's current board of directors, including names, business and/or home addresses, phone numbers and email addresses, length of term, and an indication of those representing ethnic minorities, disabilities, or older populations.

One copy of the following (with the original):

- Financial audit and letter from an Independent Certified Public Accountant, if an audit is required.
- Current By-laws (if not previously on file with the Arts office).
- One copy of the organization income tax exemption status and corporation papers from the IRS and State of North Carolina (if not previously on file with the Arts office).
- Accessibility plan.
- One copy of support materials including publicity, reviews, and programs, along with additional information about the artists to be employed in the proposed program.
- Optional: if available, submit one DVD (2 to 5 minutes) documenting the project being applied for.

Evaluation Criteria:

The following are the weighted criteria used to evaluate all project support grants:

Artistic Merit (35%)

1. Quality artists selected to participate
2. Professional artistic leadership in place
3. Artistic need for project in the community
4. Employment opportunities for Raleigh and/or North Carolina artists
5. Commitment to support of emerging artists

Management (25%)

6. Effective administration (staff and/or volunteers) to oversee project
7. Careful planning for successful project implementation
8. Advertising and promotion sufficient to support project goals
9. Project evaluation tool(s) in place
10. Active board of directors

Financial Accountability/Grant Compliance (20%)

11. Realistic budget
12. Competent financial oversight/accurate accounting processes
13. Organization financial stability
14. Grant application (and for previous grant recipients, midterm and final reports) comprehensive, clearly written and presented as due

Community Outreach (20%)

15. Demonstrated community support for project
16. Involvement with and/or services for persons with disabilities, members of ethnic minorities, and members of new constituent groups
17. Facilities utilized accessible to all persons

2010 CITY COUNCIL

Mayor Charles Meeker
Mary-Ann Baldwin
Thomas Crowder
Bonner Gaylord
Nancy McFarlane
John Odom
Russ Stephenson
Eugene Weeks

2010 RALEIGH ARTS COMMISSION

Laura Raynor, Chair
Richard Ruggero, Vice Chair
Joe Cebina
Jason Craighead
Clyde Lundy
Tom McGuire
Nancy Novell
Patricia Perry
Sarah Powers
Bob Rankin
Brian Starkey
Ann Tharrington

GRANTS COMMITTEE

Ann Tharrington, Chair
Clyde Lundy
Patricia Perry
Community representatives TBA

ARTS COMMISSION STAFF

June Guralnick, Executive Director
june.guralnick@ci.raleigh.nc.us

Belva Parker, Program Coordinator
belva.parker@ci.raleigh.nc.us

Carol S. Mallette, Administrative Assistant
carol.mallette@ci.raleigh.nc.us



City of Raleigh, North Carolina

Fiscal Requirements for City of Raleigh Grant Recipients

- A. All grants are contingent on funds appropriated by City Council.
- B. Before cash awards are made the grant recipients must comply with the following City regulations:
 - 1. **In cases where the grant is \$25,000 or more:** The grant recipient must submit an independent certified audit of the agency's most recently completed fiscal year inclusive of the grant award within 120 days of that fiscal year-end. The audit report must be accompanied by the auditor's letter, if one is prepared by the auditor, and a copy of the agency's final budget for the period. Failure to comply with this requirement will preclude the agency for ongoing consideration in the City's grant program.
 - 2. **In other cases where the City provides less than \$25,000:** An audit is recommended but not required by the City. If an agency does receive an audit, however, the audit and any auditor's letter should be submitted to the City within 120 days following the end of the agency's fiscal year. The City, at its discretion, may require an examination of any agency's financial records by the Controller's Office staff.

Any questions regarding audit requirements by the agency or the agency's auditors can be directed to the City's Controller at 996-4970.

- 3. **In all cases where the grant is \$1,000 or more annually,** a blanket (or position schedule) fidelity bond must be obtained by the agency for those positions having responsibility for management of funds. The amount of the bond(s) must be equal to or greater than one-half (50%) of the City's total appropriation to the agency during the fiscal year. Thus, the amount of the required bond(s) will vary depending on the City's total appropriation to the agency and the method of disbursement of those funds.

For example, if your City annual appropriation is \$24,000 and you are eligible to receive funds on a monthly basis, your fidelity bond(s) must be equal to or greater than \$12,000. However, in cases where a lump sum or other method of payment is requested and approved, the fidelity bond must be equal to or exceed the amount requested.

- 4. **The grant recipient must follow these generally accepted accounting principles in maintaining accurate, current and complete records,** which must be satisfactory and

agreeable to the City, and the grant recipient must agree to have adequate internal controls to assure protection of all assets:

- a. The agency's **books and bank statements are reconciled monthly**. Expenditures of agency funds are subject to a formal review and approval process.
 - b. The **board of directors approves a formal annual budget**. Substantial fixed asset purchases are capitalized and depreciated.
 - c. **The agency has a voucher system for documentation of expenditures** (that includes original documents from vendors/providers that goods and services were delivered and paid for).
 - d. The grant recipient **must agree to retain all records supporting the disbursement of funds for a period of five (5) years** and must agree to keep bank account records for a period of five (5) years.
5. **All outstanding loans and/or accounts receivable with the City of Raleigh must be current. If at any time during a grant award period a grantee agency becomes delinquent, that is greater than 60 days in arrears, on loans and/or accounts receivable with the City, grant funds not yet disbursed will be withheld until the delinquent conditions are resolved.**

C. Manner of payment to grant recipients:

All payments are made on a reimbursement basis on verification of funds expended (i.e. cancelled checks).

1. The disbursement of City funds will be made to Operating Support Grant recipients in equal monthly payments.
2. Payment to Program Grant recipients will be made after the project is completed.
3. **Recipients may prefer payments bi-monthly, quarterly, or in a lump sum, rather than monthly. However, this (or any variance to the manner of payment) must be requested in writing and written approval received prior to requesting payment.**

In all cases, funds must be requested by the grant recipient in writing and the fidelity bond must cover the amount requested.

A completed copy of the City's *Financial Information Form* must accompany each funding request. The request for reimbursement and Financial Information Form should be submitted to the Arts office.

D. After payment is received:

1. During the funded year, the grant recipient shall permit any City of Raleigh authorized representative to inspect all work, materials, payrolls, records and other data with regard to the agency's operations and to audit the books, records and accounts of the recipient agency at the City's discretion.

2. At the end of the funded year, the grant recipient shall provide a completed Cash Position Form to reflect the agency's cash position as of June 30 of the year in which the agency received City funding. The form should be submitted to the Arts office before July 31.
3. All funds unused as of June 30 must be accounted for and the unused share contributed by the City must be returned to the City.

Failure to comply with any of these requirements may result in suspension of current funding and/or elimination of future funding.

E. Capital grant awards:

1. The City Council from time to time has appropriated funding to external agencies as matching contributions for capital improvements. At a minimum, the following requirements shall be met by grant recipients:
 - a. A Letter of Agreement or Understanding shall be developed which shall state:
 - Intended purpose of the grant
 - Amount and duration of the grant (one year; multi-year)
 - Specific requirements of performance prior to cash award as determined by the City Council.
 - b. Submit to the City an annual audit for any fiscal year in which funding was provided to the grant recipient and/or City funds were committed/expended by recipient beyond fiscal year of receipt of the funding.
 - c. Any other applicable grant recipient requirements included elsewhere within this procedure.

GLOSSARY OF BUDGET TERMS

EARNED INCOME

MEMBERSHIPS: Fees collected annually from individuals or other entities by agencies incorporated as membership organizations. Membership fees do not include tuition funds earned from services provided to members.

SEASON TICKETS: Revenue from sale of season tickets.

ADMISSIONS: Revenue derived from the sales of admissions, tickets, season subscriptions, memberships, etc., for events presented or sponsored by the applicant.

For organizations that use the term “memberships” to include tickets or other benefits and contributions, they may apply to earned income only the portion that represents the value of goods and services received by the donor. The remaining portion may then be reported as Contributed Income (in line items for Board, Other Individuals or Corporate Matching Funds).

PROGRAM/EXHIBIT FEE & SALES: Monies received from outside sources for a performance or exhibit not included in the above categories. Does not include corporate sponsorship below. Can include income from gallery and other sales (i.e., t-shirts).

CORPORATE SPONSORSHIPS: Donations from corporations for sponsorship of programs, exhibits or performances in exchange for the corporation receiving advertising or tickets.

INTEREST: Interest earned from all bank accounts and investments. Also interest earned from endowments and trusts if being used for operations or programs.

ADVERTISING: Revenue received for sales of advertising in programs, etc.

WORKSHOP/CLASS TUITION: Funds earned from adult/student participation.

SPECIAL FUNDRAISING EVENTS: Gross income received for a gala, dinner dance, auction, raffle or other special fund raising event.

RENTALS: Income from fees for facilities use, equipment, costumes, etc.

OTHER (Specify): Total revenue from sources other than listed above. Please attach details on separate sheet.

CONTRIBUTED INCOME

BOARD MEMBERS: Donations from current members of your board of directors.

OTHER INDIVIDUALS: Donations from other individuals for general operating support (not expected to receive membership benefits or for a sponsorship).

FOUNDATIONS: Grants for programs or operating support from private foundations.

CORPORATIONS: Unrestricted donations from corporations for general operating support.

GRANTS: Revenue received from public sources such as county, state (non-NCAC), the NC Arts Council, federal and from the United Arts Council (private source).

OTHER: (Specify) Total revenue from sources other than those listed above (do not include City of Raleigh City Arts Grants). Please attach details on separate sheet.

CITY ARTS GRANT: Total amount of all grant requests received or anticipated from City of Raleigh City Arts Grants.

EXPENSES

ADMINISTRATIVE SALARIES/BENEFITS: Include salary or hourly wages paid to hired administrative staff or temporary employees. Include any payroll taxes, and benefits such as insurance, workers compensation and parking.

ARTISTIC SALARIES/BENEFITS: Compensation paid to professional artists on staff. This category includes actors, musicians, curators etc. Include benefits listed above.

TECHNICAL/PRODUCTION SALARIES: Compensation paid to technical personnel on staff. Include benefits listed above.

EDUCATION SALARIES/BENEFITS: Compensation paid to education staff. This category can include teachers of master classes, and teachers compensated for special ongoing programs, etc. Include benefits listed above.

CONTRACTED SERVICES: This category includes fees paid for services such as guest artist/master teacher/technical services (not normally considered employees). Legal/Accounting: Includes fees paid to attorneys, accountants and audit fees.

PROGRAM EXPENSES: Fees or rentals paid which are directly related to performances or exhibitions not included above (i.e. renting art exhibits, lights, staging, sets, shipping, licenses, exhibit or performance space, etc.) Any other cost related to the program not included above. Please use this area only for specific line items not covered above.

OFFICE RENTAL: Office space rental.

SPECIAL FUND RAISING EVENT: All costs involved in special event including rentals, printing, advertising, mailings, etc.

PR/DEVELOPMENT/MARKETING: Cost incurred in materials such as brochures, advertising, direct mail, newsletters, etc.

TRAVEL: Reimbursement or direct payment for mileage, travel costs to staff and volunteers.

POSTAGE: Costs for postage not included above.

TELEPHONE: Monthly charges and long distance service.

PRINTING: Costs for printing not included above.

SUPPLIES: Cost of consumable and small items for office and programming needs.

UTILITIES: Monthly charges for electric, gas, water for office.

INSURANCE: Insurance for liability, property, etc. Does not include benefits for employees.

EQUIPMENT: Costs of purchasing expendable office equipment, maintenance agreements on that equipment, etc. Do not include capital expenditures.

LOAN AND INTEREST REPAYMENT: List the total expense for the fiscal year for which you are applying for funds.

OTHER (Specify): Total expense for items other than listed above. Please attach detail on separate sheet.

OTHER ITEMS

BUDGET LAST FY: The budget approved by your board of directors for the most recently completed fiscal year.

ACTUAL LAST FY: Your actual revenues and expenses for the most recently completed fiscal year from your audit.

CURRENT FY: The budget approved by your board of directors for the current fiscal year.

ACTUAL TO 12/31: Your actual current fiscal year revenues and expenses for the period ending 12/31.

NEXT FY: Your board-approved proposed/projected budget for next year, the request year of this application.

OPERATING SURPLUS (DEFICIT): The net difference between revenues and expenses for the fiscal year.

PREVIOUS YEAR SURPLUS (DEFICIT): The net difference between revenues and expenses for the prior fiscal year.

CUMULATIVE SURPLUS (DEFICIT): The sum of "operating surplus (deficit)" and "previous year surplus (deficit)."

IN-KIND CONTRIBUTION: The real or estimated value of goods and services/supplies contributed to your organization.